

W. Annunzio & Comparison
1 - Memo to Policy

23 July 1985

MEMORANDUM FOR THE RECORD

D/PERS requested that we provide ^{H(11)} them with:

- (a) Some examples (current preferred) of CIARDS retiree cases at different grade levels and years of service with comparisons of annuities computed under current CIARDS and the formulas we are proposing in our retirement plan.
- (b) Workups of the average Federal service and overseas service for selected categories (Ops Officers, Other "D" service cases, Commo Officers, Average CIARDS retirees).


D/PERS said that at the DCI's morning meeting of 7/23/85 an SIS-4 with lots of government service and lots of overseas service under CIARDS questioned the rationale for our proposed 75% cap of annuities under CIARDS. Whether the question was pro or con was not clear.

D/PERS apparently clarified the rationale question (i.e. the proposed 2.5% for all overseas service) but feels the question may indicate an issue in the making since CIARDS retirees at high grades with extensive government and overseas service will probably hit the 75% cap with relatively low years of service.

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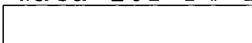


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Note: On 7/24/85 with actual case data provided by  Kathy developed the comparison retiree cases (attached).

As regards to item A above, I prepared the response (attached) based on computer report of 12/5/84 for FY-1984.

STAT

Since other slightly conflicting data for FY 1984 was found in other computer runs in the files,  agreed we would use the 12/5/84 report data. Copies of these references are attached to Cynthia's file copy.

George gave D/PERS the responses on 24 July. No further questions to date from D/PERS.

24 JUL 1985

Average Federal Service & Overseas Service
for Selected Categories of CIARDS Retirees in FY-1984

<u>Category</u>	<u>Years of Federal Service</u>	<u>Years of Overseas Service</u>
Ops Officer	31.2	9
Other "D" Careerists	29.3	8.5
Commo	30	10.7
Support Careerists (MG & M)	31.1	9
Average of All CIARDS Retirees	30.4	7.9

COMPARISONS OF ANNUITIES FOR CIARDS RETIREES
COMPUTED UNDER CURRENT CIARDS & PROPOSED FORMULAS

Employee with 38 Years of Service & High-3 of \$63,512 - SIS-4

	<u>CIARDS</u> <u>(Basic Annuity)</u>	<u>% of</u> <u>High-3</u>
Current (2% of Average High-3 Salary x # Years of Service Not to Exceed 35 Years of Service Credit; i.e., 70% of Average High-3)	\$44,458 (capped)	70.0%

Proposed
(2 1/2% of Average High-3 Salary x Years
of Overseas Service, plus 2% of All Non-
Overseas Service Not to Exceed 75.0% of
Average High-3)

5 Years Overseas	\$47,634 (capped)	75.0%
8 Years Overseas	\$47,634 (capped)	75.0%
12 Years Overseas	\$47,634 (capped)	75.0%
20 Years Overseas	\$47,634 (capped)	75.0%

COMPARISONS OF ANNUITIES FOR CIARDS RETIREES
COMPUTED UNDER CURRENT CIARDS & PROPOSED FORMULAS

Employee with 34 Years of Service & High-3 of \$62,794 - SIS-3A

	<u>CIARDS</u> <u>(Basic Annuity)</u>	<u>% of</u> <u>High-3</u>
Current (2% of Average High-3 Salary x # Years of Service Not to Exceed 35 Years of Service Credit; i.e., 70% of Average High-3)	\$42,700	68.0%

Proposed
(2 1/2% of Average High-3 Salary x Years
of Overseas Service, plus 2% of All Non-
Overseas Service Not to Exceed 75.0% of
Average High-3)

5 Years Overseas	\$44,270	70.5%
8 Years Overseas	\$45,212	72.0%
12 Years Overseas	\$46,468	74.0%
20 Years Overseas	\$47,095 (capped)	75.0%

COMPARISONS OF ANNUITIES FOR CIARDS RETIREES
COMPUTED UNDER CURRENT CIARDS & PROPOSED FORMULAS

Employee with 34 Years of Service & High-3 of \$61,775 - SIS-2A

	<u>CIARDS</u> <u>(Basic Annuity)</u>	<u>% of</u> <u>High-3</u>
Current (2% of Average High-3 Salary x # Years of Service Not to Exceed 35 Years of Service Credit; i.e., 70% of Average High-3)	\$42,007	68.0%

Proposed
(2 1/2% of Average High-3 Salary x Years
of Overseas Service, plus 2% of All Non-
Overseas Service Not to Exceed 75.0% of
Average High-3)

5 Years Overseas	\$43,551	70.5%
8 Years Overseas	\$44,478	72.0%
12 Years Overseas	\$45,714	74.0%
20 Years Overseas	\$46,331 (capped)	75.0%

COMPARISONS OF ANNUITIES FOR CIARDS RETIREES
COMPUTED UNDER CURRENT CIARDS & PROPOSED FORMULAS

Employee with 30 Years of Service & High-3 of \$57,094 - SIS-1A

	<u>CIARDS</u> <u>(Basic Annuity)</u>	<u>% of</u> <u>High-3</u>
Current (2% of Average High-3 Salary x # Years of Service Not to Exceed 35 Years of Service Credit; i.e., 70% of Average High-3)	\$34,256	60.0%

Proposed
(2 1/2% of Average High-3 Salary x Years
of Overseas Service, plus 2% of All Non-
Overseas Service Not to Exceed 75.0% of
Average High-3)

5 Years Overseas	\$35,684	62.5%
8 Years Overseas	\$36,540	63.9%
12 Years Overseas	\$37,682	65.9%
20 Years Overseas	\$39,966	70.0%

COMPARISONS OF ANNUITIES FOR CIARDS RETIREES
COMPUTED UNDER CURRENT CIARDS & PROPOSED FORMULAS

Employee with 35 Years of Service & High-3 of \$53,295 - GS-14/10

	<u>CIARDS</u> <u>(Basic Annuity)</u>	<u>% of</u> <u>High-3</u>
Current (2% of Average High-3 Salary x # Years of Service Not to Exceed 35 Years of Service Credit; i.e., 70% of Average High-3)	\$37,307	70.0%

Proposed
(2 1/2% of Average High-3 Salary x Years
of Overseas Service, plus 2% of All Non-
Overseas Service Not to Exceed 75.0% of
Average High-3)

5 Years Overseas	\$38,639	72.5%
8 Years Overseas	\$39,438	73.9%
12 Years Overseas	\$39,971 (capped)	75.0%
20 Years Overseas	\$39,971 (capped)	75.0%

COMPARISONS OF ANNUITIES FOR CIARDS RETIREES
COMPUTED UNDER CURRENT CIARDS & PROPOSED FORMULAS

Employee with 31 Years of Service & High-3 of \$41,851 - GS-13/7

	CIARDS (Basic Annuity)	% of High-3
Current (2% of Average High-3 Salary x # Years of Service Not to Exceed 35 Years of Service Credit; i.e., 70% of Average High-3)	\$25,948	62.0%

Proposed
(2 1/2% of Average High-3 Salary x Years
of Overseas Service, plus 2% of All Non-
Overseas Service Not to Exceed 75.0% of
Average High-3)

5 Years Overseas	\$26,994	64.5%
8 Years Overseas	\$27,622	66.0%
12 Years Overseas	\$28,459	68.0%
20 Years Overseas	\$30,133	72.0%

COMPARISONS OF ANNUITIES FOR CIARDS RETIREES
COMPUTED UNDER CURRENT CIARDS & PROPOSED FORMULAS

Employee with 32 Years of Service & High-3 of \$32,706 - GS-12/6

	CIARDS (Basic Annuity)	% of High-3
Current (2% of Average High-3 Salary x # Years of Service Not to Exceed 35 Years of Service Credit; i.e., 70% of Average High-3)	\$20,932	64.0%

Proposed
(2 1/2% of Average High-3 Salary x Years
of Overseas Service, plus 2% of All Non-
Overseas Service Not to Exceed 75.0% of
Average High-3)

5 Years Overseas	\$21,749	66.0%
8 Years Overseas	\$22,240	67.9%
12 Years Overseas	\$22,894	69.9%
20 Years Overseas	\$24,202	73.9%

COMPARISONS OF ANNUITIES FOR CIARDS RETIREES
COMPUTED UNDER CURRENT CIARDS & PROPOSED FORMULAS

Employee with 26 Years of Service & High-3 of \$31,516 - GS-11/9

	CIARDS (Basic Annuity)	% of High-3
Current (2% of Average High-3 Salary x # Years of Service Not to Exceed 35 Years of Service Credit; i.e., 70% of Average High-3)	\$16,388	51.9%

Proposed
(2 1/2% of Average High-3 Salary x Years
of Overseas Service, plus 2% of All Non-
Overseas Service Not to Exceed 75.0% of
Average High-3)

5 Years Overseas	\$17,176	54.4%
8 Years Overseas	\$17,649	56.0%
12 Years Overseas	\$18,279	57.9%
20 Years Overseas	\$19,540	62.0%

COMPARISONS OF ANNUITIES FOR CIARDS RETIREES
COMPUTED UNDER CURRENT CIARDS & PROPOSED FORMULAS

Employee with 24 Years of Service & High-3 of \$19,264 - GSB-7/7

	<u>CIARDS</u> <u>(Basic Annuity)</u>	<u>% of</u> <u>High-3</u>
Current (2% of Average High-3 Salary x # Years of Service Not to Exceed 35 Years of Service Credit; i.e., 70% of Average High-3)	\$ 9,247	48.0%

Proposed
(2 1/2% of Average High-3 Salary x Years
of Overseas Service, plus 2% of All Non-
Overseas Service Not to Exceed 75.0% of
Average High-3)

5 Years Overseas	\$ 9,726	50.4%
8 Years Overseas	\$10,017	51.9%
12 Years Overseas	\$10,403	54.0%
20 Years Overseas	\$11,173	57.9%